

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1349262-0

Total Deleted Page(s) = 36
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Page 50 ~ Duplicate;
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Page 59 ~ Duplicate;
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Page 63 ~ Duplicate;
Page 64 ~ Duplicate;
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Page 71 ~ Duplicate;
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FORMS.TEXT HAS 1 DOCUMENT

INBOX.9 (#6607)

TEXT:

ZCZCWF0015

HQ

DE WFO0015 1911341

ZNR UUUUU

P 101341Z JUL 87

RECEIVED
TELETYPE UNIT

11 JUL 87 03 20

FEDERAL BUREAU
OF INVESTIGATION

Exec AD Adm.	
Exec AD Inv.	
Exec AD LEG.	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. &	
Public Affs.	
Rec. Mgmt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

FM FBI WASHINGTON FIELD OFFICE (56C-NEW) (P) (C-7)

TO ACTING DIRECTOR, FBI P R I O R I T Y

ATTN: PUBLIC CORRUPTION UNIT, SSA [REDACTED]

BT

UNCLAS

[REDACTED] AMERICANS FOR STRENGTH THROUGH
EFFICIENCY (ASE), AKA THE FOUNDATION; ELECTION LAW MATTER;
PRELIMINARY INQUIRY; OO:WFO.

RE WFO TELCALL OF SSA [REDACTED] TO BUREAU SSA [REDACTED]

6/22/87 AND TELCALL OF WFO SSA [REDACTED] TO SSA [REDACTED] 7/9/87.

ON JUNE 17, 1987, [REDACTED]

[REDACTED]

DE-225 56-5958-X

17 AUG 7 1987

147
16 JAN 26 1989

PAGE TWO DE WF 0015 UNCLAS

ADVISED THAT AN EMPLOYEE OR EMPLOYEES OF THE [REDACTED]

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b7D

[REDACTED] ALLEGEDLY HAD CONTACT WITH SPITZ CHANNEL
RESULTING IN A POSSIBLE DIVERSION OF FUNDS. ON 6/22/87, THE
ABOVE INFORMATION WAS TELEPHONICALLY DISCUSSED WITH FBIHQ
OFFICIAL [REDACTED] WHO CONCURRED THAT WFO WOULD ASCERTAIN THE
FACTS SURROUNDING THIS MATTER AND PROVIDE SAME TO FBIHQ FOR
APPROPRIATE EVALUATION. IN ADDITION, THIS INFORMATION WAS
TELEPHONICALLY PROVIDED TO SSA [REDACTED] FBIHQ, WHO CONCURRED WITH
THE ABOVE ACTION.

FOR THE INFORMATION OF THE BUREAU, ON 7/7/87, WFO AGENTS
INTERVIEWED [REDACTED]

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(X) AT HIS OFFICE LOCATION, WASHINGTON, D.C. AT HIS REQUEST.

[REDACTED] PROVIDED THE FOLLOWING INFORMATION:
1 /

WFO HAS SCHEDULED A MEETING WITH [REDACTED]

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L

[REDACTED] PUBLIC INTEGRITY SECTION, DOJ, WASHINGTON, D.C., FOR 7/10/87. THE BUREAU SHOULD NOTE THAT WFO HAS ALSO SCHEDULED AN INTERVIEW WITH [REDACTED] AT 9:00 A.M., MONDAY, JULY 13, 1987. THE BUREAU WILL BE KEPT APPRISED OF ALL PERTINENT DEVELOPMENTS.

ADMINISTRATIVE DATA:

THE BUREAU SHOULD NOTE THAT WFO'S INTERVIEW OF [REDACTED]

b6
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[REDACTED] IT IS

FURTHER NOTED THAT THE INFORMATION OBTAINED [REDACTED] WAS HIGHLY FRAGMENTED DUE TO A LACK OF FACTUAL INFORMATION AND/OR RECALL [REDACTED] DURING THE INTERVIEW. FURTHER, IT IS APPARENT THAT WFO WILL HAVE TO INTERVIEW [REDACTED] IN ORDER TO ESTABLISH THE FACTS AND/OR DETAILS SURROUNDING THIS MATTER. IN THIS REGARD, [REDACTED] HAS AGREED TO PROVIDE TO WFO ON MONDAY, JULY 13, 1987 ALL NECESSARY FACTS AND RECORDS RELATED TO THIS MATTER.

BT

#0015

NNNN

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INBOX.65 (#8318)

TEXT:

VZCZCWFO043

PP HQ

DE WF #0043 2682317

ZNR UUUUU

P 252317Z SEP 87

FM FBI WASHINGTON FIELD OFFICE (56C-589) (P) (C-7)

TO ACTING DIRECTOR, FBI P R I O R I T Y

ATTN: PUBLIC CORRUPTION UNIT, SSA [REDACTED]

BT

UNCLAS

[REDACTED] AMERICANS FOR STRENGTH THROUGH

EFFICIENCY (ASE); ELECTION LAW MATTER; OO:WFO.

RE WFO TELETYPE TO BUREAU, DATED 8/28/87.

ON 9/22/87, WFO INTERVIEWED [REDACTED]

LANE AND ASSOCIATES, 515 2ND STREET, N.E., WASHINGTON, D.C.

REGARDING A \$2,000 CONTRIBUTION MADE [REDACTED] TO THE

1986 RE-ELECTION CAMPAIGN OF SENATOR CHARLES GRASSLEY. THE

BUREAU SHOULD NOTE THAT [REDACTED] WAS ONE OF NUMEROUS CONTRIBUTORS TO

GRASSLEY'S CAMPAIGN AT A BREAKFAST/FUNDRAISER SPONSORED BY CARL

SPITZ CHANNELL ON 12/24/85. DURING THE COURSE OF THE INTERVIEW,

[REDACTED] HAD CONTRIBUTED A TOTAL OF

Exec AD Adm	
Exec AD Inv	
Exec AD LES	
Asst Dir:	
Adm Servs	
Crim Inv	
Ident	
Insp	
Intell	
Lab	
Legal Coun	
Off Cong & Public Affs	
Rec Mgmt	
Tech Servs	
Training	
Telephone Rm.	
Director's Sec'y	

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b7C

382 394
22 APR 04 1988

cc: J. [unclear]

PAGE TWO DE WF 0043 UNCLAS

\$2,000 (\$1,000 EACH) TO THE GRASSLEY RE-ELECTION EFFORT. [REDACTED]

ALSO NOTED THAT HE WAS SUBSEQUENTLY REIMBURSED THIS \$2,000

EXPENSE BY CARL SPITZ CHANNELL. [REDACTED]

WORKED FOR CHANNELL AS A PAID CONSULTANT FOR APPROXIMATELY THIRTY DAYS DURING DECEMBER, 1985 AND JANUARY, 1986.

THE ABOVE INFORMATION WAS DISCUSSED BY WFO WITH DOJ ATTORNEY

[REDACTED] ON 9/22/87. [REDACTED] NOTED THAT THE

AFOREMENTIONED ACTIONS BY CHANNELL AND [REDACTED] APPEARS TO CONSTITUTE VIOLATIONS OF TITLE 2, SECTIONS 441(A) AND 441(F). [REDACTED]

SPECIFICALLY REQUESTED THAT WFO ELEVATE THIS MATTER FROM A

PRELIMINARY INQUIRY TO A FULL INVESTIGATION. HE FURTHER

REQUESTED THAT INTERVIEWS BE CONDUCTED EXPEDITIOUSLY WITH ALL

CONTRIBUTORS SUSPECTED OF HAVING BEEN REIMBURSED BY CARL

CHANNELL. IN THIS REGARD, THE BUREAU SHOULD NOTE THAT ACCORDING

TO INFORMATION PROVIDED BY [REDACTED] CHANNELL REIMBURSED [REDACTED] FOR THE

AFORESAID \$2,000 CONTRIBUTION BY EITHER PERSONAL OR CORPORATE

CHECK.

INVESTIGATION CONTINUING AT WFO; FBIHQ WILL BE KEPT APPRISED.

REQUEST OF FBIHQ.

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PAGE THREE DE WF 0043 UNCLAS

1. THROUGH COORDINATION WITH THE OFFICE OF INDEPENDENT COUNSEL (CONTRA MATTER), WILL ASCERTAIN WHETHER OR NOT THE OIC WOULD PROVIDE TO WFO COPIES OF PERSONAL/CORPORATE BANKING RECORDS OF CARL CHANNELL.

2. IN THE EVENT THAT THE OIC DECIDES NOT TO PROVIDE THE RECORDS NOTED IN NUMBER ONE ABOVE, DETERMINE IF OIC WOULD IDENTIFY FOR WFO THE CORPORATE NAMES OF COMPANY'S OPERATED BY SUBJECT CHANNELL AND/OR THE BANKS HAVING RECORDS PERTAINING TO SAME.

BT

#0043

NNNN

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile

☒ AIRTEL

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

7/28/87

Date

CLASS

SRC'D

SER

SEC

TO: ACTING DIRECTOR, FBI

ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT

FROM: SAC, WFO (56C-589) (P) (C-7)

[REDACTED]

AMERICANS FOR STRENGTH THROUGH EFFICIENCY;
ELECTION LAW MATTER;
PRELIMINARY INQUIRY;
OO:WFO

Re WFO teletype to the Bureau, dated 7/14/87 and Bureau teletype to WFO, dated 7/17/87.

Enclosed for the Bureau are the original and three copies of an LHM describing the initiation of captioned investigation, and two copies each of [REDACTED] 302 and [REDACTED] 302.

WFO will hand deliver one copy of the enclosed LHM to the Public Integrity Section, DOJ, Washington, D.C. [REDACTED] is the DOJ Attorney assigned to this case.

On 7/20/87, [REDACTED] ASE, was interviewed at the Washington Field Office. [REDACTED] claimed CARL "SPITZ" CHANNELL attempted a take over of the ASE with the assistance of subject [REDACTED] for the purpose of establishing a "front" for his conservative fundraising activities. [REDACTED] based this accusation on [REDACTED] CHANNELL and on information received from unnamed members of the news media community. According to [REDACTED] these news media contacts stated CHANNELL has taken over nine organizations.

✓ 2-Bureau (Encl. 6)
1-WFO

TTA:ldj
(3)

ENCLOSURE ATTACHED

1cc - LHM + 1cc of each 302 (2) - WCC
9/1/87
WCM / A.R.

Approved: WDH / AB

Transmitted

(Number)

(Time)

Per

22 JUL 22 1988

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similar to ASE, for the purpose of converting them into fundraising organizations.

[] stated that his news media contacts advised him that profits from the U.S. sales of arms to Iran were furnished to CARL CHANNELL. [] stated that CHANNELL possibly provided a portion of this profit money to Senator GRASSLEY's 1986 election campaign. [] stated he believes CHANNELL actually performed fundraising activities for Senator GRASSLEY's 1986 campaign and that he (CHANNELL) directed that the contributions be made through [] Senator GRASSLEY's [] based these allegations on the following information. It is [] belief that [] does not possess the qualities necessary to raise funds for a major campaign and would have to rely on his close associate, CARL CHANNELL, for that purpose. Several contributors to Senator GRASSLEY's campaign were located out of the state of [] [] news media contacts advised him that CHANNELL and his associates made contributions to several conservative candidates seeking national offices. According to these news media contacts, a portion of the profits from the U.S. sales of arms to Iran was provided to CHANNELL and this money was used to make these contributions. [] stated CHANNELL organized a fundraising breakfast for Senator GRASSLEY's campaign during December, 1985. CHANNELL contributed \$1,000 to Senator GRASSLEY's campaign relative to this breakfast. According to [] the following listed associates of CHANNELL each contributed \$1,000 to Senator GRASSLEY's campaign relative to this fundraising breakfast:

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WFO 56C-589

[redacted] Regarding statements he made to Senator GRASSLEY, [redacted] denied alleging that subject [redacted] had diverted ASE funds for any purpose. Furthermore, [redacted] denied alleging that CARL CHANNELL had given subject [redacted] money for the purchase of a home. He also denied alleging that thousands of dollars had been contributed to Senator GRASSLEY's 1986 campaign through the conduit of fictitious supporters donors. [redacted] said he was aware of no information that money had been contributed to this campaign by individuals using false identities.

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FD 302s re interview of [redacted] Senator GRASSLEY will follow.

REQUEST OF FBIHQ:

It is requested that the Public Corruption Unit disseminate one copy of this communication and one copy of the enclosed LHM to the Office of Independent Counsel (OIC) LAWRENCE E. WALSH, inasmuch as this information is potentially relevant to the OIC's investigation.

101

56-5958-2

ENCLOSURE



FEDERAL BUREAU OF INVESTIGATION

Date 7/15/87

1

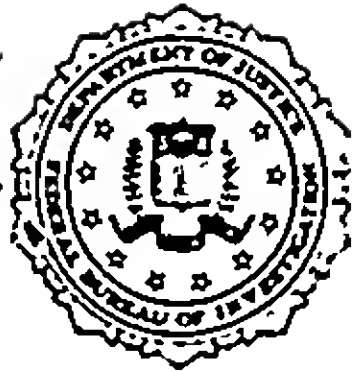
[redacted]
Washington, D.C., telephone number [redacted] was contacted at his residence. [redacted] was advised of the identities of the interviewing agents, and the purpose of the interview. [redacted] furnished the following information:

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b7CPERSONAL HISTORYb6
b7C

Investigation on 7/13/87 at Washington, D.C. File 56C-589
By SA [redacted] TTA:ldj Date Dictated 7/15/87

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.



U.S. Department of Justice

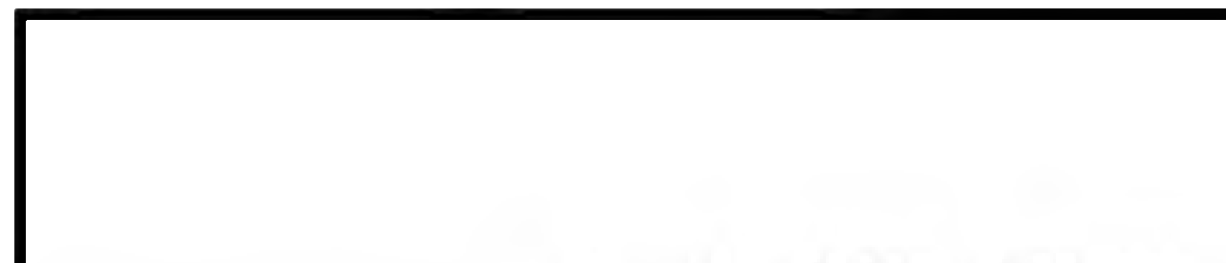
Federal Bureau of Investigation

In Reply, Please Refer to
File No.

56C-589

Washington Field Office
Washington, D.C. 20535

July 28, 1987



AMERICANS FOR STRENGTH THROUGH EFFICIENCY;
ELECTION LAW MATTER;
PRELIMINARY INQUIRY

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On June 17, 1987,



notified

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the Washington Field Office of the Federal Bureau of
Investigation (FBI) that a possible violation of federal law had
been committed by an official or officials of a

later
made arrangements for an interview of to be
conducted by Special Agents of the FBI.

On July 7, 1987, Special Agents of the FBI interviewed



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of the FBI. It is the property
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agency; it and its contents are
not to be distributed outside your
agency.



WFO 56C-589

discussed with [redacted] Assistant Chief for
Operations, Public Integrity Section, U.S. Department of Justice,
Washington, D.C. Assistant Chief [redacted]
allegations possibly constitute a violation of the federal
election laws and he requested that the FBI initiate a
preliminary inquiry in this matter.

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FBI

TRANSMIT VIA

☐ Teletype
☐ Facsimile
☒ Airtel

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS 9/24/87
 Date _____

 TO: ACTING DIRECTOR, FBI
 ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT
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b7C

FROM: SAC, WFO (56C-589) (P) (C-7)

 B
 [REDACTED]
 AMERICANS FOR STRENGTH THROUGH EFFICIENCY;
 ELECTION LAW MATTER;
 PRELIMINARY INQUIRY;
 OO:WFO

 Re WFO airtel to Bureau, 7/28/87. *per*

Enclosed for the Bureau are the following:

1. Two copies of an FD 302 re interview of [REDACTED] 7/20/87.
2. Two copies of an FD 302 re interview of [REDACTED] 7/7/87.
3. Two copies of an FD 302 re interview of [REDACTED] 8/13/87.

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 Copies of the enclosures to re airtel, as well as
 copies of the enclosed FD 302s have been furnished to DOJ
 Attorney [REDACTED]
b6
b7C
REQUEST OF FBIHQ:

 It is requested that the Public Corruption Unit
 disseminate one copy of each enclosed FD 302 to the Office of the
 Independent Counsel (OIC) LAWRENCE WALSH, inasmuch as the
 information is potentially relevant to the OIC's investigation.
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b7C
 2-Bureau (Encl. 6)
 1-WFO

 TTA:ldj
 (3)
Approved: *WMS*

Transmitted _____

Per _____

(Number)

(Time)

1 CC - LHM + 1 CC of each FD 302 Encl (3) - WCC

10/5/87

WCM / L.D.

 97 JUL 18 1988 copy of LHM & encl. FD 302 (3) - OIC
 2 *W*

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/26/87

1

[redacted]
[redacted] Arlington, Virginia, telephone number (703)
[redacted] was interviewed at the Washington Field Office of the
FEDERAL BUREAU OF INVESTIGATION (FBI), 1900 Half Street, S.W.,
Washington, D.C. [redacted] furnished the following information:

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PERSONAL HISTORY

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Investigation on 7/20/87 at Washington, D.C. Washington Field
File# 56C-589

by SA [redacted] TTA:tfm Date Dictated 7/27/85

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the FBI. It is the property of the FBI and is loaned to your
agency; it and its contents are not to be distributed outside
your agency.

298

56-5958-3
ENCLOSURE

CHANNELL TAKEOVER ALLEGATION

It is the belief of [REDACTED] that CARL "SPITZ" CHANNELL attempted to take over the ASE with the assistance [REDACTED] for the purpose of establishing a conservative fund raising organization.

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Individuals within the news media community have [REDACTED] CHANNELL took over 9 non-profit organizations for the purpose of converting them into conservative fund raising vehicles. These organizations include the American Conservative Trust, The National Endowment for the Preservation of Liberty and Western Goals. The news media contacts further stated that each of the organizations taken over by CHANNELL had homosexuals within their ranks. Furthermore, all of the organizations were in financial trouble at the time CHANNELL took them over.

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[REDACTED] several individuals that he is [REDACTED]
[REDACTED] CHANNELL and referred to
CHANNELL several times as his [REDACTED]

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During April, 1986, [REDACTED] the United States Government was involved in shipping Arms to the Middle East in the area of Iran. He also advised [REDACTED] United States Government officials were involved in private funding raising efforts to support the Nicaraguan Counter-Revolutionaries (contras enclosed). He also advised [REDACTED] that private donations to the contras were being diverted. [REDACTED] had received this information from several sources within the news media community.

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[REDACTED] believes that the information he provided to [REDACTED] would have been damaging to CHANNELL's fund raising efforts. For this reason, [REDACTED] CHANNELL instructed [REDACTED] ASE.

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CHANNELL FUND RAISING FOR SENATOR GRASSLEY

[REDACTED] also advised him that profits from the United States sales of Arms to Iran were furnished to CARL CHANNELL and that CHANNELL contributed a portion of these funds to conservation candidates seeking

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national office. [REDACTED] CHANNELL possibly provided a portion of this profit money to Senator GRASSLEY's 1986 Election Campaign. [REDACTED] noted that during May, 1986, Senator GRASSLEY voted in favor of a Senate Bill which authorized financial support to contras.

[REDACTED] CHANNELL performed fund raising activities for Senator GRASSLEY's 1986 campaign and that he (CHANNELL) directed that the contributions be made through [REDACTED]

[REDACTED] this opinion on several factors. According to [REDACTED] observations, [REDACTED] raise funds for a major campaign and would have to rely on his close associate, CARL CHANNELL, for that purpose. Several contributors to Senator GRASSLEY's campaign were located out of the state of Iowa. CHANNELL organized a fund raising breakfast for Senator GRASSLEY's campaign during December, 1985. CHANNELL and each of the following listed associates of CHANNELL contributed \$1,000 to Senator GRASSLEY's campaign relative to this fund raising breakfast:

Name

Address

DANIEL LYNN CONRAD

FRANCES "FRANK" D. GOMEZ
Wife, ESPERANZA N. GOMEZ

RICHARD R. MILLER
Wife, JOY M. MILLER

ERIC JOHN OLSON
(CHANNEL'S Roommate)

F. CLIFTON SMITH

[REDACTED ADDRESS BOX]

CHANNELL and the other 7 contributors are included on a two page list of individuals who contributed money to Senator GRASSLEY's campaign on or about December 24, 1985. [REDACTED] obtained the names and addresses of these individuals from FEDERAL ELECTION COMMISSION records. [REDACTED] provided this two page list to the interviewing agent.

[REDACTED] INCIDENT

[REDACTED] Lieutenant Colonel OLIVER NORTH and CARL CHANNELL caused an incident which was designed to discredit [REDACTED] efforts to investigate United States Government involvement in supporting the Contras. [REDACTED] was involved in developing a cannon to be sold to the United States Government and was transporting a prototype of the weapon when this incident occurred. While parked at a gas station in Northern Virginia, the cannon discharged, causing damage to personal property and injury to nearby people. After the incident occurred, [REDACTED] that he did not load the cannon and did not understand how it could have discharged. Also, there was no evidence of a projectile being fired from the cannon. [REDACTED] has been a close associate of [REDACTED] for several years and [REDACTED] believes that NORTH and CHANNELL caused the incident in the hope that [REDACTED] plight would also embarrass [REDACTED]

STATEMENTS TO [REDACTED]

[REDACTED] furnished the aforementioned information to [REDACTED]. In response to questions from the interviewing agent, [REDACTED] had diverted ASE funds for any purpose. Furthermore, [REDACTED] denied alleging that CARL CHANNELL had given [REDACTED] money for the purchase of a home. He also denied alleging that thousands of dollars had been contributed to Senator GRASSLEY's 1986 campaign through the conduit of fictitious contributors. [REDACTED] is aware of no information that money had been contributed to Senator GRASSLEY's campaign by individuals using false identities.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/26/87

1

[redacted] telephoned the Washington Field
Office of the FEDERAL BUREAU OF INVESTIGATION and furnished the
following information.

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Investigation on 7/7/87 at Washington, D.C. File# 56C-589
(by telephone) Washington Field
by SA [redacted] TTA:tfm Date Dictated 7/13/85

b6
b7C

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the FBI. It is the property of the FBI and is loaned to your
agency; it and its contents are not to be distributed outside
your agency.

FORMS.TEXT HAS 1 DOCUMENT

RECEIVED
TELETYPE UNIT

29 AUG 87 21 36

FEDERAL BUREAU
OF INVESTIGATION

INBOXSS7 (#4396)

CLASS
SEC'D

REC'D 751Z

PE HQ

15

P 291730Z AUGUST 87

FROM HOUSTON (560-NEW) (RUC)

TO ACTING DIRECTOR, FBI PRIORITY

(ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT)

BT

UNCLAS

AMERICANS FOR STRENGTH THROUGH

EFFICIENCY; ELECTION LAW MATTERS; PRELIMINARY INQUIRY; WFO.

RE WFO TELETYPE TO THE BUREAU DATED 8/29/87.

REFERENCED TELETYPE SET OUT LEAD TO HAVE [REDACTED] INTER-

VIEWED AT [REDACTED] HOUSTON, TEXAS.

Exec AD Adm.	
Exec AD Inv.	
Exec AD LES	
Asst. Dir.:	
Adm. Servs.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	b6
Off. Cong. &	b7C
Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Telephone Rm.	
Director's Sec'y	

b6
b7C

56-59584

9-1

9-24-100

[Handwritten signature]

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95 APR 22 1988

PAGE TWO HQ (56C-NEW) UNCLAS

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b7C

[REDACTED]

HOUSTON DIVISION IS LEAVING TO WFO'S DISCRETION AS
TO WHETHER LEAD SHOULD BE SET OUT TO HAVE [REDACTED] INTERVIEWED
AT HIS RESIDENCE AT [REDACTED] VIRGINIA.

HOUSTON PLACING THIS MATTER IN RUC STATUS.

BT

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 10/27/87

SSE
 CLASS
 10/27/87

TO: ACTING DIRECTOR FBI
 ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT

FROM: SAC, WASHINGTON FIELD
 (56C-589) (P) (C-7)

CHANGED

CARL R. CHANNELL, DIRECTOR,
 NATIONAL ENDOWMENT FOR PRESERVATION OF LIBERTY (NEPL);

SENATOR CHARLES GRASSLEY, ELECTION LAW MATTER;
 OO:WFO

Title changed to add CARL R. CHANNELL to the title because investigation has identified CHANNELL as having provided possible illegal contributions to Senator CHARLES GRASSLEY's 1986, re-election campaign. Also, subject [REDACTED] position with AMERICAN'S FOR STRENGTH THROUGH EFFICIENCY (ASE) was deleted inasmuch as there is no evidence that ASE was utilized to facilitate illegal contributions to Senator GRASSLEY's campaign. Instead, subject [REDACTED] was acting in his capacity as a campaign fund raiser for Senator GRASSLEY when he [REDACTED] requested that CHANNELL raise funds for Senator GRASSLEY's campaign.

Re WFO teletype to the Bureau dated 9/25/87.

Enclosed for the Bureau are two copies each of an FD-302 re interview of [REDACTED] on 9/22/87, and an FD-302 re interview of [REDACTED] on 10/6/87.

Investigation by WFO has determined the following individuals each contributed \$1,000.00 to Senator GRASSLEY's 1986, re-election campaign in connection with the 12/13/85, fund raising breakfast organized by subject CHANNELL:

2-Bureau (Enc. 4)
 1-WFO

TTA:rab
 (3)

ENCLOSURE ATTACHED

Approved: [Signature] Transmitted

(Number)

(Time)

cc to Independent
 Counsel FRONT DOOR
 WFO 11/13/87

2-processed
 see request

WFO

14 SEP 27 1988

WFO 56C-589

1. CARL CHANNELL, Washington, D.C. (WDC).
2. [REDACTED] WDC.
3. [REDACTED] Arlington, Virginia (VA).
4. [REDACTED] Arlington, VA.
5. [REDACTED] Falls Church, VA.
6. [REDACTED] Falls Church, VA.
7. [REDACTED] Bowie, Maryland (MD).
8. [REDACTED] Bowie, MD.
9. [REDACTED] WDC.
10. [REDACTED] WDC.

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[REDACTED] has been interviewed by WFO concerning his contribution [REDACTED] contribution. Attorneys for [REDACTED] have been contacted, however, these attorneys have not yet made their clients available for interview by WFO. Attempts to contact contributor [REDACTED] (subject CHANNELL [REDACTED]) have been unsuccessful, however, efforts will continue.

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Copies of the enclosed FD-302's have been furnished to the DEPARTMENT OF JUSTICE (DOJ) attorney [REDACTED]. Attorney [REDACTED] has been in contact with attorney's [REDACTED] to facilitate the interviews of the aforementioned contributors.

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REQUEST OF FBIHQ.

It is requested that the Public Corruption Unit, FBIHQ, disseminate one copy of each enclosed FD-302 to the Office of Independent Counsel (OIC) LAWRENCE WALSH, inasmuch as the information is possibly related to the OIC's investigation.

FEDERAL BUREAU OF INVESTIGATION

10/22/87

Date of transcription

[redacted] LANE AND ASSOCIATES, Washington, D.C., telephoned the Washington Field Office of the Federal Bureau of Investigation (FBI). [redacted] who stated he was calling from Los Angeles, California, provided the following information:

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During December, 1985 and January, 1986, [redacted] [redacted] for CARL CHANNELL. During that time, he provided fund raising services for Freedom Forum, an organization which educated the public on domestic political issues. CHANNELL requested that [redacted] become a full-time employee however, [redacted] did not want to give up his independent status. Also, CHANNELL and [redacted] were unable to agree on [redacted] fee, therefore, [redacted] declined the offer of employment.

During December, 1985, LANE attended a fund raising breakfast for U.S. Senator CHARLES GRASSLEY'S 1986 Re-election Campaign. CHANNELL invited LANE and his wife to the breakfast, however, he advised LANE that he and his wife would have to contribute \$1,000.00 each to Senator GRASSLEY's campaign. LANE told CHANNELL that he was financially unable to contribute such an amount and CHANNELL responded that he would reimburse LANE and his wife for the contributions. CHANNELL made no statement that the LANE's contributions were part of a plan to disguise or conceal the true contributor to Senator GRASSLEY's campaign. At the time, LANE did not think the circumstances surrounding the contributions constituted a violation of any criminal law. He did consider the circumstances to be usual.

There were six persons present at the GRASSLEY fund raising breakfast. Present were: Senator GRASSLEY, LANE, THOMAS SYNHORST, CARL CHANNELL, DANIEL CONRAD, and RICHARD MILLER. MILLER and CONRAD were associates of CHANNELL. FRANCES GOMEZ and F. CLIFTON SMITH were associates of CHANNELL, however, they were not present at the breakfast. LANE did not assist in organizing the breakfast and he therefore does not know the identities of contributors to Senator GRASSLEY's campaign.

Investigation on 10/6/87 at Washington, D.C. Washington Field File # WF 56C-589
by SA [redacted] rdg 56-5958-5 10/7/87
Date dictated 56-5942-6

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FEDERAL BUREAU OF INVESTIGATION

Date 10/1/871

[redacted] LANE & ASSOCIATES, 515 2nd Street, N.E., Washington, D.C., telephone number [redacted] was interviewed at his office and he furnished the following information:

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In his present position, [redacted] provides fundraising

[redacted] He and [redacted]
[redacted] Falls Church, Virginia, telephone number [redacted]

[redacted] CARL CHANNELL of the NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY for approximately thirty days during December, 1985 and January, 1986.

During December, 1985, LANE attended a fundraising breakfast for U.S. Senator CHARLES GRASSLEY's 1986 re-election campaign. LANE contributed \$1,000 to the campaign and his wife, who did not attend the breakfast, also contributed \$1,000. Both he and his wife wrote contribution checks drawn on their personal account at FIRST VIRGINIA BANK, Falls Church, Virginia. CHANNELL paid the LANES \$2,000 for making the contributions. CHANNELL termed this payment to the LANES as a "business expense reimbursement". The \$2,000 reimbursement was included in a check which paid LANE for his consultation services.

[redacted] does not know [redacted]

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Investigation on 9/22/87 at Washington, D.C. File 56C-589

By SA [redacted] TTA:ldj Date Dictated 9/28/87

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

56-5958-5
56-5942-6

INBOX.7 (#7118)

TEXT:

VZCZCWFO043

RR HQ HQ

DE WF #0043 2402339

ZNR UUUUU

R 282339Z AUG 87

FM FBI WASHINGTON FIELD OFFICE (56C-589) (P) (C-7)

TO ACTING DIRECTOR, FBI P R I O R I T Y

ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT

FBI, HOUSTON P R I O R I T Y

BT

UNCLAS

[REDACTED] AMERICANS FOR STRENGTH THROUGH
EFFICIENCY: ELECTION LAW MATTER: PRELIMINARY INQUIRY: OO:WFO.

RE WFO AIRTEL TO THE BUREAU, DATED 7/28/87 AND WFO TELCALL
TO HQ, 8/28/87.

FOR INFORMATION OF HQ, WFO HAS RECEIVED ALLEGATIONS THAT
SUBJECT SYNHORST POSSIBLY ASSISTED POLITICAL FUNDRAISER CARL R.
"SPITZ" CHANNELL IN MAKING ILLEGAL CONTRIBUTIONS TO SENATOR
CHARLES E. GRASSLEY'S 1986 REELECTION CAMPAIGN. ON DECEMBER 24,

1985, CHANNELL AND SYNHORST ORGANIZED A FUNDRAISING BREAKFAST

WHICH GENERATED \$11,000 IN CONTRIBUTIONS FOR SENATOR GRASSLEY'S

Exec. AD-Adm.	
Exec. AD-Inv.	
Exec. AD-LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Aff.	
Rec. Mgmt.	
Tech. Serv.	
Training	
Telephone Rm.	
Director's Sec'y	

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b7C

SEP 24 1987

135
18 NOV 17 1988

INBOX.45 (#6154)

TEXT:

VZCZCWF0045

RR HQ LA

DE WF #0045 2382232

ZNR UUUUU

R 262232Z AUG 87

FM FBI WASHINGTON FIELD OFFICE (56C-589) (P) (C-7)

TO ACTING DIRECTOR, FBI R O U T I N E

ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT

FBI, LOS ANGELES R O U T I N E

BT

UNCLAS

[REDACTED] AMERICANS FOR STRENGTH THROUGH

EFFICIENCY; ELECTION LAW MATTER; PRELIMINARY INQUIRY; OO:WFO.

RE WFO AIRTEL TO THE BUREAU, DATED 7/28/87.

FOR INFORMATION OF LA DIVISION, WFO HAS RECEIVED ALLEGATIONS THAT SUBJECT SYNHORST POSSIBLY ASSISTED POLITICAL FUNDRAISER CARL R. "SPITZ" CHANNELL IN MAKING ILLEGAL CONTRIBUTIONS TO SENATOR CHARLES E. GRASSLEY'S 1986 REELECTION CAMPAIGN. ON DECEMBER 24, 1985, CHANNELL AND SYNHORST ORGANIZED A FUNDRAISING BREAKFAST WHICH GENERATED \$11,000 IN CONTRIBUTIONS FOR SENATOR GRASSLEY'S CAMPAIGN. IT HAS BEEN ALLEGED THAT CHANNELL ILLEGALLY PROVIDED

56-5958-7
17 SEP 23 1987

16 DEC 07 1988

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JULY 17, 1987

UNCLAS

ROUTINE

FM ACTING DIRECTOR FBI

TO FBI, WASHINGTON FIELD OFFICE {56C-NEW} {C-7} {ROUTINE}

BT

UNCLAS

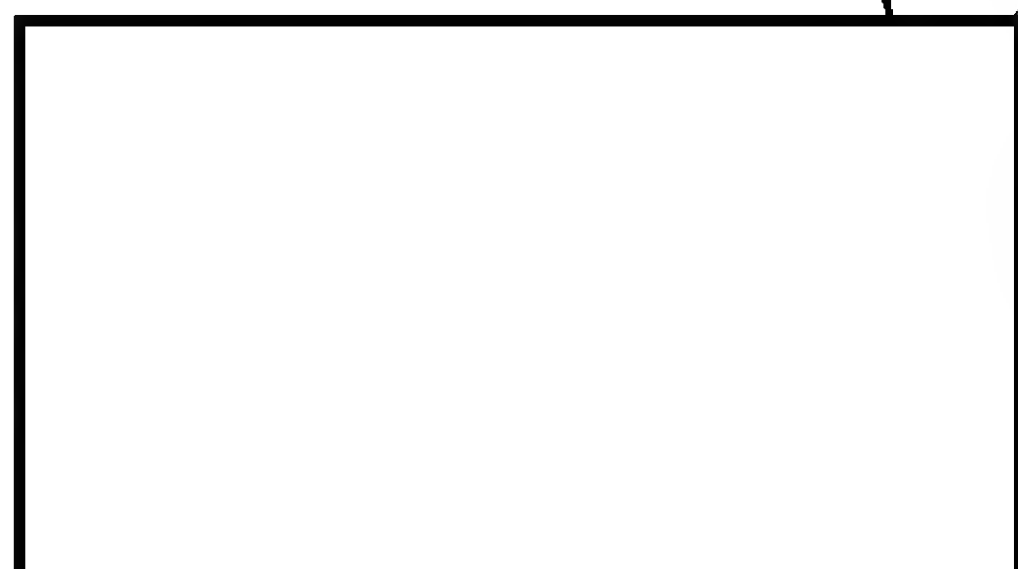
[REDACTED] AMERICANS FOR STRENGTH THROUGH
EFFICIENCY {ASE}, AKA THE FOUNDATION; ELECTION LAW MATTER;
 PRELIMINARY INQUIRY; 00: WFO.

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b7C

RE WFO TELETYPE TO FBIHQ, DATED JULY 10, 1987, AND
 TELEPHONE CONVERSATION ON JULY 16, 1987, BETWEEN SA [REDACTED]
 WFO, AND SSA [REDACTED], PUBLIC CORRUPTION UNIT {PCU},
 WHITE-COLLAR CRIMES SECTION.

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AS DISCUSSED IN THE REFERENCED TELEPHONE CONVERSATION,
 MEMBERS OF THE OFFICE OF INDEPENDENT COUNSEL {OIC} LAWRENCE E.
 WALSH HAVE BEEN BRIEFED ABOUT THE CAPTIONED MATTER. ON
 JULY 16, 1987, SA [REDACTED] OIC, STATED THAT THE OIC
 HAS NO OBJECTION TO THE FBI CARRYING OUT AN INVESTIGATION OF
 THE CAPTIONED MATTER. THE OIC ASKS ONLY THAT IT BE ADVISED OF

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FBI-MAS [REDACTED] 7/17/87 3849/6 5701

DE-200

56-3958-8

2 JUL 28 1987

b6
b7CFEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS CENTER2149/C
JUL 19 1987

13 JAN 23 1989

256

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SEC'D
SIR
REC

AIRTEL

3/21/88

Director, FBI

SAC, WMFO

CARL R. CHANNELL, DIRECTOR, NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY (NEPL); [REDACTED]
[REDACTED] SENATOR CHARLES GRASSLEY, ELECTION LAW
MATTER; OO: WASHINGTON FIELD

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Enclosed is a copy of a letter received from the Office
of Independent Counsel (OIC) dated 3/11/88.

This self-explanatory letter responds to a request of
WMFO regarding personal and corporate banking records of
Carl Russell Channel in connection with captioned matter.

WMFO will be notified promptly of the decision reached
by the OIC in this matter.

Enclosure

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2



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WCM:bja (6)

MAILED 23

MAR 22 1988

FBI

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. &
Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Telephone Rm. _____
Director's Sec'y _____ MAIL ROOM ☒

17 FEB 1988

56-5458-9

APR 18 1988

FBI/DOJ

RECEIVED
TELETYPE UNIT
6 FEB 88 1500Z
FEDERAL BUREAU
OF INVESTIGATION

INBOX.8 (#9216)

TEXT:

VZCZCWFO021

RR HQ

DE WF #0021 0370726

ZNR UUUUU

R 060726Z FEB 88

FM FBI WASHINGTON FIELD OFFICE (56C-589) (P) (C-7)

TO DIRECTOR FBI ROUTINE

BT

UNCLAS

ATTENTION: PUBLIC CORRUPTION UNIT, SSA [REDACTED]

CARL R. CHANNELL, DIRECTOR, NATIONAL ENDOWMENT FOR THE

PRESERVATION OF LIBERTY (NEPL); [REDACTED]

[REDACTED] SENATOR CHARLES GRASSLEY; ELECTION LAW

MATTER; OO:WASHINGTON FIELD.

RE WASHINGTON FIELD AIRTEL TO BUREAU, DATED OCTOBER 27,
1987.

ON OCTOBER 23, 1987, WASHINGTON FIELD AGENTS INTERVIEWED

(X) ERIC JOHN OLSON; DATE OF BIRTH, [REDACTED] PLACE OF BIRTH, [REDACTED]

[REDACTED] OCCUPATION, [REDACTED] INTERNATIONAL

MONETARY FUND, WASHINGTON, D. C. (X). OLSON STATED THAT HE

CONTRIBUTED \$1,000 TO SENATOR CHARLES GRASSLEY'S 1986 RE-ELECTION

Form with checkboxes and handwritten marks:

- Exec AD Adm. ☒
- Exec AD Inv. ☒
- Exec AD LES ☒
- Asst. Dir.:
- Adm. Serv. ☒
- Crim. Inv. ☒
- Ident. ☒
- Insp. ☒
- Intell. ☒
- Lab. ☒
- Legal Coun. ☒
- Off. Cong. & Public Affairs ☒
- Rec. Mgmt. ☒
- Tech. Serv. ☒
- Training ☒
- Off. of the Inspector General ☒

Handwritten: "File" and "th"

b6
b7C

DE-6 56-5958-10

b6
b7C

16 FEB 18 1988

65 MAY 18 1989

Handwritten signature

11/9/88

b6
b7C

RE: CARL R. CHANNELL, DIRECTOR,
NATIONAL ENDOWMENT FOR THE
PRESERVATION OF LIBERTY;

SSP

CLASS

SRC'D

SER

REC

ELECTION LAW

MATTER; OO: WMFO

You were previously informed of the investigation being conducted by WMFO into possible election law violations involving Carl "Spitz" Channell, who apparently sponsored a breakfast fund raiser on behalf of Senator Charles Grassley in 1985. Allegations had been received to indicate that Channell may have subsequently reimbursed contributors at the breakfast for an amount equal to their contributions. In addition, there were allegations that contributors had worked for Channell as paid consultants during the same period.

Channell was also involved in the "Front Door" investigation being conducted by Independent Counsel (IC) Lawrence E. Walsh and ultimately pleaded guilty to conspiring to defraud the Government. In that case, Channell admitted that he had solicited money for military aid to the Contras, while claiming that it was a tax-exempt organization. In addition, Channell

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Following the completed investigation by WMFO, the Public Integrity Section (PIS) of the Department of Justice advised on 10/31/88 that it declined to prosecute Channell for violation of the Federal election laws. Chief, PIS, advised that he was declining prosecution because

This matter is being closed.

56-5958-11

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CID

WCM:smg (8)

NOV 22 1988

File

REC-115

UNIT

FORMS. TEXT HAS 1 DOCUMENT 43 5/2

#8004

OF INVESTIGATION

TEXT: CRIMINAL INVESTIGATION

VZCZCWM0009

PP HQ

DE WM #0009 3052028

ZNR UUUUU

P 312005Z OCT 88

FM FBI WASHINGTON METROPOLITAN FIELD OFFICE (56C-589) (P)

TO DIRECTOR FBI/PRIORITY/

BT

UNCLAS

CITE: //3920//

SUBJECT: PUBLIC CORRUPTION UNIT, SSA [REDACTED], CARL R.

CHANNELL, DIRECTOR, NATIONAL ENDOWMENT FOR THE PRESERVATION OF

LIBERTY (NEPL); [REDACTED]

[REDACTED] SENATOR CHARLES GRASSLEY; ELECTION LAW MATTER; OO:WMFO.

RE BUREAU AIRTEL TO WMFO DATED MARCH 21, 1988.

EVIDENCE OBTAINED BY WMFO TO DATE INDICATES THAT ERIC JON OLSON, DAVID AND CYNTHIA LANE, DANIEL CONRAD AND F. CLIFTON SMITH

WERE REIMBURSED BY NEPL, OR CHANNELL FOR THEIR DECEMBER, 1985,

CONTRIBUTIONS (\$1,000 EACH) TO SENATOR CHARLES GRASSLEY'S 1986

REELECTION CAMPAIGN.

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56-5958-12
17 NOV 16 1988

FBI

TRANSMIT VIA:

☐ Teletype
☒ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 7/16/90

SSP

CLASS

SRC'D

SER

ENC

1 TO : Director, FBI
 2 Attn: Public Corruption Unit
 3 FROM : SAC, WMFO (56C-589) (C) (C-7 NVMRA)
 4 CARL R. CHANNELL, DIRECTOR,
 5 NATIONAL ENDOWMENT FOR THE PRESERVATION OF LIBERTY (NEPL);
 6 ELECTION LAW MATTER
 7 OO: WMFO

7 Re WMFO teletype to the Bureau, dated 11/1/88.

8 Enclosed for the Bureau are the original and four
 9 copies of a closing LHM in captioned matter which is suitable for
 10 dissemination.

11 As re teletype stated, prosecution of captioned case
 12 was declined by DOJ in 1988. Closing LHM was held in abeyance
 13 until final action of the FEDERAL ELECTION COMMISSION could be
 14 reported.

15 2-Bureau
 16 1-WMFO
 17 TTA

ENCLOSURE

56-5958-14

JUL 18 1990

Varnum
 [Signature]

Approved: TSN

Transmitted

Per

2 CC'S TO DOJ/PIS (Number) (Time)

1 CC TO WCCS, RM 3849

DATE: 7/18/90 BY: MTK

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H1 Airtel

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b7C